

**County of Roanoke, Virginia**  
**Policy for Use of Unspent Expenditure Appropriations at Year End**

**I. Background**

At the end of a fiscal year, unspent expenditure appropriations generally lapse and revert to a reserve or fund balance within the fund in which the appropriations originated. In some cases it is desirable to reappropriate a portion of these funds to allow for the completion of projects or purchases in process. The County provides for these instances by including wording in the Appropriation Ordinance that encompasses encumbrances, capital projects and school funds. The National Advisory Council on State and Local Budgeting (NACSLB) has issued guidelines representing standards of excellence in governmental budgeting that include the preparation of policies and plans for capital asset acquisition, maintenance, and replacement (Principle 2; Element 5; Practice 5.2). This policy addresses this standard.

**II. Purpose**

This policy would establish guidelines to fund the Minor County Capital Reserve and to distribute unspent funds at year end to departments for needed expenditures. This additional funding will provide an opportunity for departments to invest in items that will assist them in meeting their service delivery objectives. Encouraging frugal management practices will provide a more flexible environment and allow innovative and efficient approaches to servicing our citizens.

**III. Performance Standard**

Departments will not engage in practices, for the purpose of solely generating savings that will adversely affect the quality of service delivery, unless approved by the County Administrator and/or the Board of Supervisors.

**IV. Policy Guidelines**

- A. When the County's accounts are closed out at the fiscal year-end, 60% of the unencumbered expenditure savings from each departmental budget of the General Fund will be designated for reappropriation to that department in the following fiscal year. The remaining 40% of the unencumbered expenditure savings will revert to the Minor County Capital Reserve for future capital projects approved by the Board of Supervisors.
- B. Departmental requests for this reappropriation of funds will be evaluated and approved by the County Administrator on an item-by-item basis.
- C. These funds are "non-recurring"; therefore, the use of these funds can only be used for expenditures such as vehicle replacement, computers, renovations, training or other purposes that relate to the department's mission and do not require expenditures in future fiscal years. These funds cannot be used for salary increases, additional personnel, or expansion of services.